

The U.S. Embargo on Cuba: A Red Herring

by *T. Norman Van Cott*

An erroneous assumption plagues the now decades-old debate about the U.S. embargo on Cuba. Debaters, both pro and con, take it as given that Cubans would be inundated with things American should the embargo be lifted. Nothing could be further from the truth. For left-liberal opponents of the embargo, the error probably traces to wishful thinking—it seems they always want to prop up communist regimes. For conservative supporters of the embargo, the position probably reflects knee-jerk anxieties about the United States' being played for a fool.

Wishful thinking and anxieties aside, no people in a country can buy things from other countries unless they can sell things to them. Those with little to sell necessarily buy little. Economic deprivation never put Tom, Dick, or Harry at the head of the line to buy things, and so it is with countries. Countries earn their spot in line by being productive.

With *or* without the U.S. embargo, Cuba has little to sell others. Its economy is a textbook example of what happens when the lifeblood of economic progress—private property and voluntary exchange—are trashed. For over 40 years, Cuban natural resources and human talent have wallowed in a communist quicksand of perverse incentives. The U.S. embargo didn't put Cuba at

the back of the line, thank you. No, Marx, Lenin, and Stalin taught Castro all he needed to know to get there. The embargo issue is a red herring when it comes to Cuba's ability to buy from other countries.

It's true that economists teach that international trade makes countries more productive. Does this mean that the embargo cuts Cuba out of these gains? Not at all. Gains from international trade are themselves the result of private property and voluntary exchange. They occur as owners of resources respond to price and profit signals implicit in world prices, thereby channeling the resources into areas of maximum national advantage. Cuba's institutions prevent this.

What about U.S. capitalists' funding a myriad of investment projects in Cuba if the embargo were abolished? Fat chance. Again, Cuba has a proven track record of hostility toward private property in general and foreign (especially U.S.) investment in particular. Capitalists have their own wealth on the line when funding new ventures. Only those bent on self-destruction would venture into a daunting situation like that of Cuba.

This is not to deny that numerous investment possibilities exist in Cuba. Why shouldn't there be? The country has endured over 40 years of economic gobbledygook. But there is a deep chasm between potential investment projects and economically viable investment projects, a chasm made impassable in this case by Cuba's intransigence

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when it comes to private property and voluntary exchange.

Ironically, the big losers from the embargo's passing into history would be Fidel Castro and his communist cronies. For over four decades they have been able to ascribe the failure of the Cuban economy to the U.S. embargo. Blaming foreigners for home-grown economic ills is not unique to Cuba. The practice has a long history. What makes

the Cuban embargo different is that the foreigners—that is, the United States—handed Castro his red herring on a silver platter.

So the United States ended up being played for a fool after all, but not for reasons the conservative proponents of the embargo have long argued. Rather, it's the very success these proponents have enjoyed in sustaining the embargo that has led to this unfortunate result. □

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